

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	
FILING OF THE UNION LIGHT,)	CASE NO. 9029-U
HEAT AND POWER COMPANY)	

O R D E R

On October 24, 1984, the Commission issued its Order in Case No. 9029 approving certain rates and providing for adjustments of these rates on a quarterly basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On November 1, 1989, The Union Light, Heat and Power Company ("ULH&P") filed its quarterly gas cost adjustment which was to become effective December 1, 1989 to remain in effect until March 1, 1990. On November 22, 1989, ULH&P applied to modify its filing based on increases in the cost of purchased gas which occurred subsequent to the November 1 filing.

In Case No. 9029-Q,¹ the Commission authorized ULH&P to change its GCA filing quarters. In that Order, ULH&P used 11 months instead of 12 months of sales data to calculate its actual, refund, and balance adjustment. This filing sets out the completion of the 11-month cycle for those adjustments. This filing also proposes an actual adjustment based on 2 rather than 3

¹ Case No. 9029-Q, Purchased Gas Adjustment Filing of The Union Light, Heat and Power Company, Order dated January 1, 1989.

months of purchased gas recovery data in order to complete the transition to its new filing periods.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

(1) ULH&P's notice of November 22, 1989 set out certain revisions in rates which ULH&P proposed to place into effect, said rates being designed to pass on to its customers the wholesale increase in gas costs from its suppliers in the amount of 42.3 cents per Mcf including take-or-pay billings. ULH&P's expected gas cost is \$3.468 per Mcf.

(2) ULH&P's notice set out a total refund adjustment of 1.4 cents per Mcf, which returns to its customers the remaining refunds from previous quarters. The change in the total refund adjustment from the previous to the current GCA filing results in a .1 cent per Mcf increase in ULH&P's retail rates.

(3) ULH&P's notice set out a current quarter actual adjustment in the amount of 9.9 cents per Mcf to compensate ULH&P for under-recovery of gas cost through the operation of its gas cost recovery procedure during the months of July and August 1989. The total actual adjustment of (6.7) cents per Mcf, which is designed to correct the current under-collection, as well as under- and over-collections from three previous quarters, results in an 8.9 cent per Mcf reduction in ULH&P's retail rates.

(4) ULH&P's notice set out a current quarter balance adjustment in the amount of (.1) cent per Mcf to reconcile variances from previous actual, refund, and balance adjustments.

The total balance adjustment of (.7) cent per Mcf, which reflects the current as well as the three previous balance adjustments, results in a 1 cent per Mcf decrease in ULH&P's retail rates.

(5) The combined effect of the above adjustments is ULH&P's gas cost recovery rate for exempt customers in the amount of \$3.380 per Mcf, which is an increase of 32.5 cents per Mcf from the previously authorized rate. This includes a take-or-pay recovery component of 9.1 cents per Mcf.

(6) In its modified application of November 22, 1989, ULH&P requested expedited consideration of its filing. Pursuant to KRS 278.180, upon ULH&P's showing of good cause, ULH&P's effective date for its rate increase should be 20 days from the filing date or December 12, 1989.

(7) ULH&P's adjustment in rates set out in the Appendix, attached hereto and incorporated herein, is fair, just, and reasonable and in the public interest and should be effective with bills rendered on and after December 12, 1989.

IT IS THEREFORE ORDERED that:


(1) The rates proposed by ULH&P in its filing of November 22, 1989 be and they hereby are authorized effective with bills rendered on and after December 12, 1989.

(2) The gas cost recovery rate for exempt customers shall be \$3.380 per Mcf.

(3) Within 30 days of the date of this Order, ULH&P shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 11th day of December, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 9029-U DATED December 11, 1989.

The following rates and charges are prescribed for the customers served by The Union Light, Heat and Power Company. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATE GS GENERAL SERVICE

Customer Charge per month:
Residential Service \$4.50
Non-Residential Service \$6.00

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
All Gas Used	13.91¢	plus 33.80¢	equals 47.71¢ per 100 cu. ft.

Minimum Bill: The minimum monthly charge shall be the customer charge as stated above.

The "Gas Cost Adjustment" as shown above is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RATE F

Special Contract - Firm Use

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>	<u>Total Rate</u>
All Gas Used	7.39¢	plus 33.80¢	equals 41.19¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RATE OF
OFF PEAK

NET MONTHLY BILL

Computed in accordance with the following charges:

(1) Firm Use shall be billed in accordance with Rate GS, General Service;

(2) Off Peak Gas (i.e., Gas in excess of Firm Use) shall be billed in accordance with the following:

	<u>Base Rate</u>	<u>Gas Cost Adjustment</u>		<u>Total Rate</u>
All Gas Used	4.42¢	plus 33.80¢	equals	38.22¢ per 100 cu. ft.

The "Gas Cost Adjustment" as shown above is an adjustment per 100 cubic feet determined in accordance with the "Gas Cost Adjustment Clause" set forth on Sheet No. 19 of this tariff.

RIDER T-O-P
TAKE-OR-PAY RECOVERY CHARGE

The T-O-P charge to be billed during the revenue months of June, July, and August 1989 is 9.1 cents per 1,000 cubic feet.